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FISCAL IMPACT STATEMENT

LS 6513

BILL NUMBER: SB 314

NOTE PREPARED: Dec 30, 2012

BILL AMENDED:

SUBJECT: Twenty-First Century Research and Technology Fund.

FIRST AUTHOR: Sen. Smith J

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill repeals the Indiana 21ST Century Research and Technology Fund (21Fund) law. It also repeals the law authorizing the Indiana Finance Authority to issue bonds for the fund.

Effective Date: Upon passage; July 1, 2013.

Explanation of State Expenditures: *Treasurer of State:* The bill requires 21 Fund assets including debt instruments, convertible bonds, and other investments to be assigned to the Treasurer of State. The bill requires the Treasurer to manage those assets. The Treasurer should have sufficient resources to implement the provisions within the bill.

Explanation of State Revenues: *Summary:* This bill repeals the 21 Fund. The bill requires the 21 Fund's cash balance of \$43.4 M to be deposited into the state General Fund and made available for other purposes. The bill also requires the nonliquid assets to be transferred to the Treasurer of State. The balance of those assets is \$14.2 M. [The balances reported are as of December 27, 2012.]

The Indiana Economic Development Corporation (IEDC) currently administers the program in conjunction with Elevate Ventures, a not-for-profit venture development firm. The IEDC has two employees dedicated to the program with a combined annual salary of approximately \$158,000. Repealing the 21 Fund will free up those resources for other tasks.[The staffing figures are as of December 3, 2012.]

Background Information: The 21 Fund was created in 1999 to provide grants or loans to companies engaged

in the commercialization of new technology and creating high-wage jobs in Indiana. It is currently administered by the IEDC but managed by Elevate Ventures. The 21 Fund is funded through legislative appropriations, loan repayments, and bonds issued by the Indiana Finance Authority.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Economic Development Corporation; Indiana Finance Authority; Treasurer of the State.

Local Agencies Affected:

Information Sources: State Budget Agency; State Auditor's Database; Indiana Staffing Report, December 3, 2012.

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